

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**FEBRUARY 14, 2018
9:00 A.M.
CONFERENCE ROOM 312**

**HOUSE BILL NO. 2102 HD 1
RELATING TO NUTRIENT CYCLING**

Chairperson Creagan and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2102 HD1, which requests a \$2 million appropriation for a nutrient cycling center pilot project on Maui and requires the Department to report on the efficacy of the pilot project to the 2020 Legislature. The Department supports the concept expressed in the bill provided that its passage does impact priorities indicated in the Executive Budget.

The Department lacks the scientific capability for implementing waste stream capture, composting process, undertaking and prioritizing research, and operationalizing the findings. This could be a project best achieved by a partnership between the Department of Agriculture and the University of Hawaii, College of Tropical Agriculture and Human Resources. This partnership then could establish a collaboration with agricultural stakeholders such as the Hawaii Farmers Union United or the Hawaii Farm Bureau Federation.

Thank you for the opportunity to testify on this measure.



HB-2102-HD-1

Submitted on: 2/13/2018 4:30:28 AM

Testimony for AGR on 2/14/2018 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------------------------------|---------------------------|---------------------------|
| Melodie Aduja | OCC Legislative Priorities Committee | Support | No |

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES**

DEMOCRATIC PARTY OF HAWAII

TO THE COMMITTEE ON AGRICULTURE

THE HOUSE OF REPRESENTATIVES

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Wednesday, February 14, 2018

9:00 a.m.

Hawaii State Capitol, Conference Room 312

RE: Testimony in Support of HB 2102 HD1 RELATING TO NUTRIENT CYCLING

To the Honorable Richard P. Creagan, Chair; the Honorable Lynn DeCoite, Vice-Chair and the Members of the Committee on Agriculture:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on House Bill No 2102 HD1 regarding Nutrient Cycling Center Pilot Project on Maui.

The OCC Legislative Priorities Committee is in favor of House Bill No.2102 HD1 and supports its passage as the pilot program will generate soil fertility amendments that in turn will lower farm production costs, increase food security, and mitigate

climate change by sequestering carbon into the soil and reducing methane emissions from Maui's landfill.

House Bill No.2102 HD12095 HD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as nutrient cycling fosters agricultural production by building soil health and fertility. Without nutrient cycling, nutrients flow from farmland into aquifers and shorelines, depleting nutrients in the soil and forcing farmers to use commercial fertilizers, which require fossil fuels to produce, decrease soil health and species diversity, increase pesticide use, and reduce the nutrient density of food. Nutrient cycling puts end products back into the land-based food chain instead of generating waste or causing pollution as with food waste.

The DPH Platform states that "[w]e believe in supporting best management practices in sustaining our environment and in increased citizen involvement. We support programs that encourage sustainable clean, efficient, creative and environmentally friendly modes of transportation, recycling, and waste reduction. (Platform of the DPH, P. 8, Lines 413-415 (2016)).

We promote solid waste policies that divert green waste and food scraps for making invasive species free compost and enhanced mulch available to our farmers, landscapers, and residents.(Platform of the DPH, P. 3, Lines 115-116 (2016)).

Given that House Bill No. 2102 HD1 establishes and appropriates funds for a Regional Nutrient Cycling Pilot Program on Maui, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ **Melodie Aduja**

Melodie Aduja, Chair, OCC Legislative Priorities Committee

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LATE

February 14, 2018

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON HB 2102, HD1
RELATING TO NUTRIENT CYCLING**

Room 312
9:00 AM

Aloha Chair Creagan, Vice Chair DeCoite, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau provides comments HB 2102, HD1, appropriating funds for a nutrient recycling program on Maui.

HFB strongly supports the concept of building soil structure and nutrient capacity. Caring for the soil is a cornerstone to having multigenerational farms that continue to provide for the people of Hawaii. Many of our farms add compost made off site as well as utilize short term fallow between crop cycles to increase organic content in their soils. Federal programs such as EQIP from the USDA Natural Resources Conservation Service, (NRCS) provide funds to offset costs to farmers who voluntarily implement these programs. Here are links to NRCS standards. Farmers implementing these practices will qualify for federal cost share using the Environmental Quality Incentive Program (EQIP) program.

Composting facility

https://efotg.sc.egov.usda.gov/references/public/HI/317_PI_Standard.pdf

Nutrient management

https://efotg.sc.egov.usda.gov/references/public/HI/590_PI_Standard.pdf

Farmers need to determine practices that work for them. For example a farmer may institute short term cover crops and this practice too qualifies for cost share using EQIP. The standard that needs to be followed is:

https://efotg.sc.egov.usda.gov/references/public/HI/340_PI_Standard.pdf

There are various funding mechanisms available that should be considered and incorporated to reach the ultimate goal as envisioned in this measure.

HFB will be happy to continue conversations in this matter. USDA-NRCS has a wealth of information and is a valuable resource. One of the mission goals of Hawaii Association of Conservation Districts, parent organization of the various Soil and Water Conservation Districts (HACD) that partners with NRCS is the delivery of these services. HACD funding will enhance the capacity of the organization to deliver federal funding opportunities to our farmers and ranchers.

Thank you for this opportunity to testify on this measure.



P.O. Box 99, Wailuku, HI 96793-0099
February 9, 2018

TESTIMONY IN SUPPORT OF HB2102 (NUTRIENT CYCLING)
BEFORE THE HOUSE AGRICULTURE COMMITTEE

February 14, 2018, 9:00AM

Vincent Mina
State President

Kyle Studer
Vice-President
Ka'u, Hawai'i

David Case
Secretary
Kona, Hawai'i

Karen Reid
Treasurer
Haleakala, Maui

Sean Anderson
Waimanalo, Oahu

Cab Baber
Kohola, Hawai'i

Dave Burlew
North Shore,
Oahu

Maureen Datta
Kona, Hawai'i

Steve Lund
Puna, Hawai'i

Ray Maki
Kauai

Mikala Minn
Hana, Maui

Robert Pahia
Mauna
Kahalawai, Maui

Simon Russell
Haleakala, Maui

James Simpliciano
Lahaina, Maui

Drake Weinert
East Hawai'i

Christian
Zuckerman
Wai'anae, Oahu

Aloha Chairman Creagan, Vice Chair DeCoite and Members of the House Committee on Agriculture. The Hawaii Farmers Union United ("HFUU") appreciates the opportunity to testify in support of HB2102 to fund a pilot project to recycle local agricultural nutrients.

HFUU's Nutrient Cycling Pilot Project Plan

Purpose - HFUU is looking for a first-year investment of \$200K in combination with other grants, sponsors, and marketing fees to start up a collaborative education, purchasing, and distribution program to help farmers, growers, and gardeners in Hawaii obtain appropriate high quality low cost compost and other soil amendments.

In 2017 with the support of the Department of Agriculture and UH CTAHR we did research on Korean Natural Farming and developed two business plans around nutrient cycling: one for a non-profit educational and technical assistance program, and a second to support the upgrade of an established composting business on Maui. Using a renewable energy technology, the upgrade will allow this business to become profitable and ultimately provide education and low-cost amendments. We anticipate that the investment for the upgrade will come from the private sector. We are asking the state to help fund the non-profit farmer-based education program to start-up. We are designing the program to be self-sustaining after three years.

Organization - HFUU is an "agricultural" 501(c)(5) nonprofit, with nearly 1,400 members in 13 Chapters on the four largest Hawaiian Islands. It is also a chartered State Division of the National Farmers Union, dedicated to promoting education, cooperation, and national, state and local legislation to empower family farmers to make a living off the land. As noted above, this program is an extension of existing educational programs HFUU has been conducting through both its agricultural, membership nonprofit (HFUU) and its charitable, nonprofit foundation,


the Hawaii Farmers Union Foundation (“HFUF”) organized under Section 501(c)(3) of the Internal Revenue Code.

Description - HFUU is already doing short, monthly education programs (10-20 minutes each) mainly focusing on good growing, safety and marketing practices at many of its monthly Chapter membership meetings using member skills and other community resources. In 2017 HFUF administered a series of four two-day workshops on Korean Natural Farming where participants learned how to make and use soil amendments primarily from materials at hand.

The proposed program will continue these collaborative activities, but also take a more proactive role in working with both local soil amendment producers, and importers of amendments to substitute local resources for imported resources on a larger scale. This proactive role will include advocating for improved quality standards and lower prices - including exploring co-operative purchasing of amendments if it makes economic sense. We will also help producers with business consulting.

Marketing Analysis and Plan - Initially marketing efforts will focus on the existing HFU membership, but we will quickly do outreach to non-members who can benefit and believe that this will increase membership as well as help HFUU understand and develop Hawaii’s existing and potential grower community as outlined in the financial projections at ATTACHMENT “A”.

HAWAII FARMERS UNION UNITED



Vincent Mina, President

The Hawaii Farmers Union United and its Chapters are a nonprofit corporation formed under Hawaii law. It advocates for the sovereign right of farmers to create and sustain vibrant and prosperous agricultural communities for the benefit of all Hawaii through cooperation, education and legislation.

| Hawaii Farmers Union Pilot Nutrient Cycling Program - Compost Amendment Program | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| Draft Cash Flow Projection as of 1/25/18 | | | | | |
| | | | | | |
| SOURCES OF FUNDS | | | | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| State of HI Grant | \$ 200,000 | \$ 100,000 | \$ 75,000 | | |
| Sponsorships/Ads | \$ 25,000 | \$ 50,000 | \$ 75,000 | \$ 100,000 | \$ 100,000 |
| Product Certification Fees | \$ 5,000 | \$ 10,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Commissions on Sales | \$ 24,000 | \$ 34,000 | \$ 44,000 | \$ 44,000 | \$ 44,000 |
| Workshop Fees | \$ 5,000 | \$ 15,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| | \$ 259,000 | \$ 209,000 | \$ 244,000 | \$ 194,000 | \$ 194,000 |
| USES OF FUNDS | | | | | |
| Develop initial marketing & education materials via web, including videos (agronomist/educator/communications team) | \$ 60,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Work with suppliers to develop standards and upgrade plans as needed and appropriate (agronomist and business development) | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Ongoing needs identification, purchasing negotiation, and sponsor solicitation | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Production and purchase of initial inventories | \$ 40,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Mobile kiosk/popup \$10k | \$ 10,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Office/warehouse/retail facility rental | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 |
| Administration | \$ 52,800 | \$ 41,800 | \$ 48,800 | \$ 50,000 | \$ 50,000 |
| TOTAL USES | \$ 228,800 | \$ 182,800 | \$ 189,800 | \$ 191,000 | \$ 191,000 |
| CASH FLOW | \$ 30,200 | \$ 26,200 | \$ 54,200 | \$ 3,000 | \$ 3,000 |
| CASH BALANCE | \$ 30,200 | \$ 56,400 | \$ 110,600 | \$ 113,600 | \$ 116,600 |

HB-2102-HD-1

Submitted on: 2/10/2018 6:10:59 AM

Testimony for AGR on 2/14/2018 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Kat Culina | | Support | No |

Comments:

HB-2102-HD-1

Submitted on: 2/12/2018 11:08:26 AM

Testimony for AGR on 2/14/2018 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Jennifer Milholen | Individual | Support | No |

Comments:

HB-2102-HD-1

Submitted on: 2/12/2018 9:09:36 PM

Testimony for AGR on 2/14/2018 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| David S. Case | Individual | Support | No |

Comments: